



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED

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Application of PacifiCorp (U-901-E)
and MidAmerican Holdings Company
for Exemption Under Section 853(b)
from the Approval Requirements of
Section 854(a) of the Public Utilities
Code with Respect to the Acquisition of
PacifiCorp by MidAmerican.

Application 05-07-010
(Filed July 15, 2005)

**RESPONSE OF THE DIVISION OF RATEPAYER ADVOCATES
TO PETITION FOR MODIFICATION OF DECISION 06-02-033**

Pursuant to Rule 47(f) of the Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates (DRA) submits this response to the petition of MidAmerican Energy Holdings Company (MEHC) and PacifiCorp for modification of Decision (D.)06-02-033. MEHC and PacifiCorp (Applicants) filed their petition for modification on June 23, 2006. Thus, this response is timely filed.

MEHC and PacifiCorp request that the Commission modify D.06-02-033, which approved MEHC's acquisition of PacifiCorp subject to conditions and commitments by the MEHC and PacifiCorp. Ordering paragraph 4 of D.06-02-033 directed Applicants to file a petition for modification of that decision to reflect any most favored nation conditions later adopted in other states.¹ DRA does not oppose the petition for modification to the extent that it reflects more favorable commitments made in other states, but DRA does oppose the requested change in California Specific Condition C-14b.

¹ PacifiCorp has utility customers in six states, including California.

The petition for modification seeks to change the index code index used for cost factors in California Specific Condition C-14b from the Global Insight index code index “JEADGOMMS” to “JEADGOM.” Both JEADGOMMS and JEADGOM track total electric administrative and general (A&G) costs as defined by FERC.² DRA opposes the request to change the cost factor used in California Specific Condition C-14b.³ Applicants requested the change in their comments on the proposed merger decision, but D.06-02-033 did not adopt the change.⁴ The requested change was therefore not caused by the negotiations or decisions in other states. JEADGOMMS is a published index code index that DRA receives, but the JEADGOM is available only through an additional subscription that DRA does not have. Using an index code index to which DRA does not have access is not in the best interest of the ratepayers.

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² The A&G costs as defined by FERC include office supplies, insurance, and rent, among others.

³ California Specific Condition C-14a and 14b reflect the commitment to reduce administrative and general costs \$6 million annually.

⁴ Applicants’ Petition for Modification of D.06-02-033, p. 5.

DRA therefore opposes the request to change the cost factor specified in California Specific Condition C-14b, but otherwise does not oppose PacifiCorp's and MEHC's petition for modification of D.06-02-033.

Respectfully submitted,

/s/ DIANA L. LEE

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July 24, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of “**RESPONSE OF THE DIVISION OF RATEPAYER ADVOCATES TO PETITION FOR MODIFICATION OF DECISION 06-02-033**” in A.05-07-010 by using the following service:

[X] **E-Mail Service:** sending the entire document as an attachment to all known parties of record who provided electronic mail addresses.

[X] **U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on July 24, 2006 at San Francisco, California.

/s/ NANCY SALYER
Nancy Salyer

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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